

PAY EQUITY/LIFE EQUITY

Show Me The Money!



Facing the Challenge

Many women who work face two major hurdles: They earn less money than men, on average. And they struggle to maintain a balance between their work and family lives.

Pay equity encompasses not only equal pay for equal work but salary equity among jobs that require comparable levels of expertise. Many jobs women have historically held—such as in teaching, nursing, caregiving, retail and other female-dominated fields—have been undervalued and are underpaid because of gender. Pay equity means that the criteria employers use to set wages is gender neutral.

The gender pay gap in Charlotte-Mecklenburg is dramatic. Local women, on average, earn only three quarters of what men earn for the same work. Percentages are even lower for nonwhite women—64.9 percent for African American, 57.9 percent for Asian and 52.1 percent for Hispanic woman.¹

“In 1963, women earned 59 cents for every dollar men earned,” says Michele Leber, chair of the National Committee on Pay Equity. “At the rate the

wage gap is closing, it will be 2057 before women close the gap and are paid equitably for the work they do, based on the skill, effort, responsibility and working conditions of the job—and not who fills it.”²

National data from multiple sources show the wage gap begins when women are first employed as young adults and continues through their working life, with the gap growing substantially over time. These “lost” wages are enormous. They not only hurt the economy but greatly reduce the buying power and life options of women and their families, especially those with low and moderate incomes.³

Such “lost” wages also come into play because women participate in the labor force at a lower rate than men do. While more than eight out of 10 men in Mecklenburg County are in the labor force, less than seven out of 10 women are.¹ In many instances, women are unable to work because they lack affordable child care or other dependent support.

Life equity, meanwhile, addresses work-life integration, and suggests striking a balance among personal, family and job responsibilities. Work-life integration disproportionately affects women

because most women handle the bulk of dependent care responsibilities within their families (see “Child and Elder Care: How Do We Care for Our Loved Ones?”). These responsibilities often put a strain on women and their dependents, limit job and career options of women (and thus earning power) and give women little time apart from work and family life. They affect the health and well-being of women, their families, the organizations that employ them and their community.

Dependent care responsibilities are among the reasons for the gender wage gap. Researchers at The Project on Global Working Families say data show that “differing family responsibilities” between women and men account for the majority of the wage discrepancy in the United States (see “Child and Elder Care: How Do We Care for Our Loved Ones?” for more detail).⁴ Other explanations for the wage gap are sex

discrimination, sexual harassment (causing women to leave or lose jobs), occupational segregation (leading to lower pay in female-dominated jobs), undervaluing female contributions in the workplace and seeing female employees with children as unreliable and “unpromotable.” These explanations prevail despite evidence of productivity, according to The WAGE Project, a nonprofit dedicated to ending wage discrimination against working women.³

Women in Mecklenburg also need a higher educational level than their male counterparts to ensure financial well-being. “Even modest levels of economic security (for women) require a college education,” writes UNC Charlotte Associate Professor of Geography Harrison Campbell, in “Women, Work and Wages in Mecklenburg County: An Economic Impact Assessment.”¹ He conducted the study for the Women’s Summit.

ACTION

To ensure that Charlotte-Mecklenburg realizes the full economic benefits of ending the wage gap, the Women’s Summit recommends the following multipronged action:

- The Summit would sponsor one women’s forum on pay equity/life equity to provide education and information about this broad issue as well as skills development in such areas as salary negotiations.
- The Summit would present the findings of its economic assessment and pay equity study on Charlotte-Mecklenburg to business and community organizations.
- The Summit would join other organizations in supporting passage of the federal Fair Pay Restoration Act.
- The Summit would observe Equal Pay Day on April 22, 2008, to raise awareness about how to solve wage inequity.

“This summit is a way for us to forge ahead, discover ways to implement changes that will impact the lives of women. I want women of all racial and ethnic groups in Charlotte-Mecklenburg County to understand that they can achieve economic power at any level.”

— Pat Martinez, Chair, Women and Work Task Force

Making the Case

Pay Equity⁵

Women working full-time in Charlotte-Mecklenburg earn 75.9 percent of what men earn in the same jobs, based on 2005 data. That percentage trails what women statewide (79.4 percent) and nationally (76.6 percent) earn compared with men.

Women in Mecklenburg actually bring home more annual income than their female counterparts statewide and nationally. So do men in Mecklenburg by an even greater margin than their male counterparts on state and national levels.

Median annual full-time earnings for Mecklenburg women are \$34,171, based on the 2005 data. Median annual earnings for men are \$45,048. If the gap in earnings were eliminated, women would earn an additional \$10,877 each year.

The salary inequity is even more dramatic when male and female earnings are viewed in the aggregate. The 159,632 men in Mecklenburg who worked full-time in 2005 earned nearly \$7.2 billion.

Meanwhile, the 117,054 women working full-time the same year earned nearly \$4 billion. If those women had received the same median earnings as the men had, they would have earned \$5.5 billion—about \$1.7 billion more than they did.

Nationally, the nonprofit WAGE Gap notes that the gender wage gap only increases with age. The wage gap between women and men aged 25 to 34 years is 83.8 percent—that is, women earn 83.3 cents for every dollar a man does. The gap widens to 64.7 percent for ages 35 to 44, 63.7 for ages 45 to 54 and 59.6 for ages 55 to 64.³ In real-life terms, the gap produces these results:

- A high school graduate loses \$700,000. A young woman who graduates from high school and goes to work at \$20,000 a year will make \$700,000 less over her lifetime than a young man graduating with her.
- A college graduate loses \$1.2 million. A young woman who graduates from college and has a \$30,000 starting salary will make \$1.2 million less over her lifetime than the young man who graduates at the same time.
- A professional school graduate loses \$2 million. A young woman who earns a degree in business,

medicine or law and has a \$70,000 starting salary will make \$2 million less over her lifetime than the young man who graduates with her.³

Recent research by the American Association of University Women (AAUW) underscores this large discrepancy in male/female salaries over time. One year out of college, women earn just 80 percent of what their male counterparts make. The gap widens to 69 percent after 10 years. “Even after controlling for hours, occupation, parenthood and other factors known to affect earnings, the research indicates that one-quarter of the pay gap remains unexplained and is likely due to sex discrimination,” says the AAUW’s Behind the Pay Gap study released in 2007.⁶

“By looking at earnings just one year out of college, you have as level a playing field as possible,” says AAUW Director of Research Catherine Hill. “These employees don’t have a lot of experience and, for the most part, don’t have caregiving obligations, so you’d expect there to be very little difference in the wages of men and women. But surprisingly, and unfortunately, we find that women already earn less—even when they have the same major and occupation as their counterparts.”⁶

Salary Negotiation and Discrimination Linked

The willingness of women to negotiate their salaries partly explains the salary gap. Men are four times more likely to negotiate their salary than women, according to Tory Johnson of Women for Hire.⁷ Whether women negotiate their salary is not based solely on desire and skill but also on their perception of the resulting discrimination if they do.⁸

“What we found across all the studies is men were always less willing to work with a woman who had attempted to negotiate than with a woman who did not,” says Hannah Riley Bowles of Harvard’s Kennedy School of Government. “They always preferred to work with a woman who stayed mum. But it made no difference to the men whether a guy had chosen to negotiate or not.” “This isn’t about

fixing the women,” Bowles continues. “It isn’t about telling women, ‘You need self-confidence or training.’ They are responding to incentives within the social environment.”⁸

Federal Hearings Pinpoint Discrimination⁹

At congressional hearings in 2007 on pay equity legislation, Senator Tom Harkin said: “I believe that women are making less because we are not properly enforcing current law, and because we do not value jobs we traditionally view as ‘women’s jobs’ as we value those we think of as ‘men’s jobs.’ Why is a housekeeper worth less than a janitor, a parking meter reader worth less than an electrical meter reader, or a social worker less than a probation officer?”

A 2004 Government Accountability Office (GAO) report on the pay gap between men and women showed that work patterns of women partly explain the gap. So does time out of the work force to care for children or part-time work. But still a discrepancy exists. The GAO report concluded that 20 percent of the wage gap could not be explained by factors other than discrimination.

Speaking to the Senate Health, Education, Labor and Pensions Committee, Dr. Philip Cohen, an associate professor of sociology at the University of North Carolina at Chapel Hill, said the pay gap has far-reaching social consequences. “Because of lower earnings for women, single mothers are twice as likely to live below the federal poverty line as single fathers (36 percent vs. 18 percent),” he noted.

Mothers Experience Job Bias

Working mothers also experience job discrimination. MomsRising, a national online political group with over 100,000 members, says mothers are 79 percent less likely to be hired than non-mothers with the same resumes. The group also says that mothers make 73 cents to a man’s dollar (60 cents of you’re single mom), and that women without children make 90 cents to a man’s dollar.¹⁰

Local Wage Gap Widespread

The gender pay gap is readily apparent among industries in Mecklenburg. Women trail men in median salary in 23 of the 25 categories listed in the 2006 American Community Survey. Women have a slight edge in “construction” and in “administrative and support and waste management services.” But male salaries often far outstrip those of women—even in many female-dominated industries.¹¹

For example, in “educational services,” which is 74.4 percent female, women make an average of \$24,359 a year. Men make \$31,509. In health care and social assistance, where female employees are 77.8 percent of the workforce, women make nearly \$20,000 less on average than men (\$27,586 compared with \$47,138).¹¹

In two financial categories that represent a high number of employees in Mecklenburg County, men average nearly double the salary of their female counterparts. In “finance and insurance, real estate and rental and leasing,” women earn \$40,923 annually, while men earn \$71,805. In strictly “finance and insurance,” women make \$40,530 on average, while men make \$80,097. Male salaries are also nearly double those of women in the

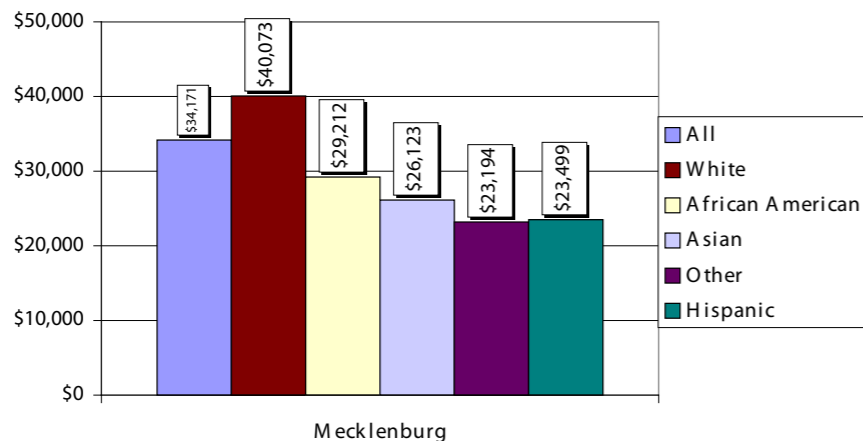
utilities industry, with men averaging \$92,679 and women, \$48,939.¹¹

Similar gender pay gaps are evident by occupation. Of 31 categories, men draw higher average salaries in 23 of them. In many instances, the pay gap is overwhelming. In seven occupations, men average 50 percent or more than their female colleagues. The biggest gap is in health care occupations that involve practicing, diagnosing and treating. In these jobs, male salaries are nearly twice those of women.

Based on the same 2006 data, management, professional and related occupations mean 57 percent higher salaries for men than women (\$63,619 compared with \$40,525). In sales and office occupations, male salaries were 59 percent larger (\$42,247 compared with \$26,417). In service occupations, salaries were closer to parity, but women still trailed (\$15,095 compared with \$18,447). The situation was similar in farming, fishing and forestry occupations (\$25,574 for men, \$17,262 for women) and in production, transportation and material-moving occupations (\$25,686 for men, \$20,411 women).¹¹

Women also don’t participate in the labor force at the same rate men do, based on 2005 data. While some 66.9 percent of Mecklenburg women aged 16

Women’s Full-Time Earnings by Race/Ethnicity, Mecklenburg 2005



Source: U.S. Census Bureau 2000, Table PCT86.

years and older who sought work were employed, the figure rises to 81.8 percent for men in the county.

These high rates of labor-force participation are based on state and national averages. The labor force gap between women and men in Mecklenburg exceeds state and national levels, at 14.9 percent. Comparable labor force participation rates for women and men in North Carolina are 59.8 percent and 72.7 percent (a 12.9 percent differential) and 59.0 percent and 72.6 percent nationally (13.6 percent differential).

Nonwhite Women Suffer Most

Economic inequity is most severe with nonwhite women in Mecklenburg. African American women, for example, participate in the full-time labor force at much higher rate than the overall average, including the white female average. But they earn decidedly less and have a nearly three times greater chance of poverty than white women.

More than seven out of 10 African American women (74.3 percent) hold full-time jobs, compared with 66.9 percent for women overall and 62.1 percent for white women. Hispanic women participate at a rate of 56 percent. “Other” women participate at 57 percent.



Nonwhite women also earn well below the county-wide female average of \$34,171 per year for a full-time job—and markedly below the \$40,073 figure for white women. The figures are \$29,212 for African American, \$26,123 for Asian, \$23,499 for Hispanic and \$23,194 for “Other” women.

African American women have a poverty rate of 18.9 percent, nearly three times that of white women (6.8 percent). Hispanic women have a poverty rate of 17.3 percent.

Education is a major component of lower earnings and higher poverty for nonwhite women. While 44.5 percent of Mecklenburg women aged 25 years and older have a bachelor’s degree or higher, the figure drops to 22.8 percent for African American women and 18.1 percent for Hispanic women. Furthermore, over 60 percent of women in poverty have no education beyond high school.

Educational Disparity

For all women in Mecklenburg, attaining at least a bachelor’s degree is significant. Data on women aged 25 years and older show a community-college education or simply attending a four-year college without graduating is insufficient for improving the economic status of women in Mecklenburg County.

On average, women who earn a bachelor’s or graduate degree face poverty rates of only 2.5 and 2.1 percent—lower rates of poverty than found in comparably educated men. Yet for women with only a high school diploma or three years or fewer of college, they have poverty rates far greater than their male counterparts. For high school graduates, the poverty rate for women is 56.3 percent higher than that of men. For women with three years or fewer of college, the rate is an astounding 93.8 percent higher than men.

Life Equity

To learn about work/life integration issues, please see this book’s section on “Child and Elder Care: How Do We Care for Our Loved Ones?”